

AMENDMENT NO. 10

TO THE

PROJECT GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR THE

MINDANAO DEVELOPMENT PROJECT

Date: September 26, 2000

MINDANAO DEVELOPMENT PROJECT

AMENDMENT NO. 10 TO PROJECT GRANT AGREEMENT NO. 492-0456

THIS AMENDMENT No. 10 is entered into as of the 26th day of September, 2000 between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("U.S.A.I.D.").

WHEREAS, the Grantee and U.S.A.I.D. entered into Project Grant Agreement No. 492-0456 (the "Agreement") on September 28, 1990, whereby U.S.A.I.D. agreed to provide an initial increment of \$14,484,000 in Grant funds for the Mindanao Development Project (the "Project");

WHEREAS, through previous amendments to the Agreement, the amount of Grant funds was increased to US\$105,216,444;

WHEREAS, U.S.A.I.D. desires to increase further the amount of Grant funds by US\$1,000,000;

NOW, THEREFORE, the Grantee and U.S.A.I.D. hereby agree to amend the Agreement as follows:

1. Paragraph (a) of Section 3.1 (the "Grant") is amended by deleting the phrase "One Hundred Five Million Two Hundred Sixteen Thousand Four Hundred Forty Four United States Dollars (\$105,216,444) ("Grant") and substituting the phrase "One Hundred Six Million Two Hundred Sixteen Thousand Four Hundred Forty Four United States Dollars (\$106,216,444) ("Grant")."

2. Paragraph (b) of Section 3.2 ("Grantee Resources for the Project") is amended in its entirety to read as follows:

"Resources provided or caused to be provided by the Grantee for the Project will not be less than the equivalent of US \$35,301,985.76 in cash and/or "in kind". An additional Pesos 56,815,719.97 (\$2,212,140.37) will be in cash expenditures to offset value-added tax (VAT) charges, including expanded VAT charges, assessed on Grant-financed goods and services during the life of the Agreement."

3. Annex I ("Amplified Project Description") is hereby amended by changing the title of Section IV from "Evaluation" to "Program Management, Monitoring, Evaluation and Audit" and adding the following after the last paragraph:

"Funds obligated for program management, monitoring, evaluation and audit may be unilaterally committed by U.S.A.I.D. for its administrative and operating costs related to the implementation of activities covered under this Agreement (including personnel costs, rent, utilities, furniture, equipment, and other support costs)."

4. Annex I (amplified Project Description") is further amended by deleting Attachment I thereto ("Financial Plan") and substituting therefore the new version of Attachment 1 which is attached hereto.

Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

By: 

Felipe M. Medalla
Director-General
National Economic and
Development Authority

By: 

Patricia K. Buckles
Mission Director
U.S. Agency for
International Development

Illustrative

Amendment No. 10
Attachment 1

MINDANAO DEVELOPMENT PROJECT
REVISED FINANCIAL PLAN
PROJECT NO. 492-0456
(in U.S. Dollars)

PROJECT ELEMENT	OBLIGATION after MDP Am. No. 9	ADJUSTMENT in OBLIGATION	REVISED LIFE-OF-PROJECT AMOUNTS		
			AID	GOP/PRIVATE SECTOR 1/	TOTAL
1. GSC Airport	30,753,314.92		30,753,314.92	11,596,437.48	42,349,752.40
2. Makar Port Improvement	13,558,102.41		13,558,102.41	4,558,978.09	18,117,080.50
3. Agro-Processing Complex					
4. Growth Plan	46,469,539.94	1,000,000.00	47,469,539.94	16,640,238.29	64,109,778.23
5. Other Studies	250,803.06		250,803.06	88,596.23	339,399.29
6. Program Management, Monitoring, Eval. & Audit	1,479,486.73		1,479,486.73	394,810.39	1,874,297.12
7. South Cotabato Highways	12,705,196.94		12,705,196.94	4,235,065.65	16,940,262.59
TOTAL	105,216,444.00	1,000,000.00	106,216,444.00	37,514,126.13	143,730,570.13

Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15 percent per line item; provided, however, that the total obligated amount as shown in the budget is not exceeded, the total contribution by the Grantee is not reduced, and the amount budgeted for program management, monitoring, evaluation and audit is not reduced.

1/ Counterpart Contribution will be as follows:

	In Cash Expenditures		Total
	In Cash/Kind	For VAT	
Gerry Roxas Foundation	\$ 903,205.00	\$ 9,100.00 (or Pesos 227,500)	\$ 912,305.00
Rural Bankers' Association of the Philippines	\$ 1,766,666.67	\$ 104,224.51 (or Pesos 2,605,612.84)	\$ 1,870,891.18
Others	\$ 32,632,114.09	\$ 2,098,815.86 (or Pesos 53,982,607.13)	\$ 34,730,929.95
Total	\$ 35,301,985.76	\$ 2,212,140.37 (or Pesos 56,815,719.97)	\$ 37,514,126.13